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PP RUEHCHI RUEHDT RUEHHM
DE RUEHJA #8064/01 1780938
ZNY CCCCC ZZH
P 270938Z JUN 06
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 6404
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBY/AMEMBASSY CANBERRA 9671
RUEHPB/AMEMBASSY PORT MORESBY 3168
RUEHWL/AMEMBASSY WELLINGTON 0915
RUEHHM/AMCONSUL HO CHI MINH CITY 0087
RHHMUNA/USCINCPAC HONOLULU HI
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 008064

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E.O. 12958: DECL: 06/27/2016
TAGS: [PGOV](#) [KISL](#) [KDEM](#) [ID](#)
SUBJECT: ACEH LAW INCHING CLOSER TO PASSAGE

REF: A. JAKARTA 6331 (LEGISLATURE AIMING TO PASS ACEH LAW)

[1](#)B. JAKARTA 1374 (DPR TAKES UP ACEH LAW)

[1](#)C. JAKARTA 5858 (SYARIAH IN ACEH)

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Classified By: POLITICAL OFFICER ERIC W. KNEEDLER, REASON 1.4 B AND D

SUMMARY

[1](#)1. (C) The Indonesian House of Representatives (DPR), moving along at a characteristically glacial pace, continues to deliberate the finer points of the draft law on Governing Aceh at the Committee level. The principle remaining issue involves fund transfers from the central government. While all parties still express optimism in the law's prospects, passage before the DPR adjourns on July 21 remains a 50/50 proposition. End Summary.

DRAFT LAW STICKING POINTS

[1](#)2. (C) A Special DPR Committee tasked with developing a consensus on the draft Law on Governing Aceh is reportedly close to completing its work. (Note: Ref A described the committee's charge and notes that because of its representative nature, any committee draft law is likely to sail through the plenary. End Note). According to Andi Mattalatta, Chairman of the Golkar faction in the DPR and a member of the Special Aceh Committee, two issues remain unresolved. The first relates to Aceh's share of the general allocation fund (DAU), a fund administered by the central government with the goal of balancing out financial capabilities among the regions. The Acehnese have requested a two-percent share of the fund annually over a twenty year period (a number that is in line with what Papua receives), while the government's most recent proposal would allocate two-percent of the DAU per year over a fifteen year period, followed by a one-percent share for an additional five years. According to a British diplomat familiar with the negotiations, the government has balked at the prospect of a twenty year commitment of two-percent, noting the Acehnese already receive significant transfers through reconstruction funding.

[1](#)3. (C) The other sticking point, according to Mattalatta, concerns the actual title of the legislation. Reportedly the Indonesian Democratic Party - Struggle (PDI-P) has pushed to name the legislation the Law on the Government of the Special Provincial Area of Aceh, while others have suggested the Law

on the Government of the Area of Aceh. A majority of legislators appear to support the name included in the original draft: the Law on the Government of Aceh; the Acehnese have signaled their support for this name as well.

THE SYARIAH ISSUE

14. (C) Based on local regulations, Islamic Law (Syariah) is already in effect in Aceh (refs A and C). As detailed in ref C, the current draft law does not specify the manner in which Syariah would be implemented, but it does refer generally to it being in effect. While there are legislators who are clearly uncomfortable with the Syariah language, there apparently is little or no stomach for a confrontation on the issue. In a recent meeting with several PDI-P legislators and PDI-P Secretary General Pramono Anung, the group conceded to Poloff that many legislators found the Syariah language troubling but simply would not be interested in using political capital to try to eliminate or water it down.

AN OPTIMISTIC AND COMPLACENT DPR

15. (C) With close to 100-percent of the draft law language already in place, our contacts are almost uniformly confident the draft bill will soon become law. In a recent conversation that is representative of the mood in the DPR, Marzuki Darusman, a Golkar legislator serving on the Special Aceh Committee, dismissed the remaining issues as minor and predicted the bill could be passed by the end of the month.

16. (C) Given the DPR's notoriously unimpressive legislative track record, one might expect that a sense of urgency would prevail among parliamentarians eager to pass a historic piece of legislation to generate favorable publicity. If anything, the reverse may be true, as it increasingly appears that many

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legislators have already moved on, shifting their energies and attention elsewhere because of a belief the bill is all but passed. While there is ample evidence to support their optimistic view of the bill's prospects, there is still work to be done and less enthusiasm to do it as recess approaches and Aceh moves out of the headlines. The result could be further delays, and the very real possibility that the bill does not make it to a plenary session until after the July 21 recess.

COMMENT

17. (C) The Memorandum of Understanding (MOU) between the GOI and GAM called for this law's passage by March 31, and with each day that passes this always-unrealistic deadline seems all the more so. The draft bill is still very much on track, likely to pass without too much additional work, and could even become law by sometime next week. Longstanding draft language referring to Syariah law already being in effect in Aceh will almost certainly be included in the final bill. The one real danger, however, is that a prolonged delay could put a brake on the positive momentum generated by the landmark MOU between the GOI and GAM that ended the thirty-year conflict.

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